



Highlights of [GAO-03-861](#), a report to the Committee on Armed Services, U.S. Senate

DEFENSE PILOT PROGRAMS

DOD Needs to Improve Implementation Process for Pilot Programs

Why GAO Did This Study

In fiscal years 1999, 2000, and 2003, the Congress authorized pilot programs to help the Department of Defense (DOD) laboratories and test centers explore innovative business partnerships and human capital strategies. Congressional concerns about DOD's implementation of the pilot programs have been growing. The Congress mandated that GAO review pilot program implementation. GAO (1) identified the pilot initiatives proposed and their current status, (2) examined factors that affected implementation, and (3) assessed implementation challenges the 2003 pilot program faces.

What GAO Recommends

GAO recommends that by March 31, 2004, the Secretary of Defense (1) inform the Congress of DOD's objectives regarding human capital and business operations in the laboratories and test centers; (2) develop a process for proposing, evaluating, and implementing human capital and business operations initiatives, regardless whether by the pilot authority or by some other vehicle; and (3) designate a strong focal point to coordinate and facilitate this process. DOD did not concur with GAO's recommendations.

www.gao.gov/cgi-bin/getrpt?GAO-03-861.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Catherine Baltzell at (202) 512-8001 or baltzellc@gao.gov.

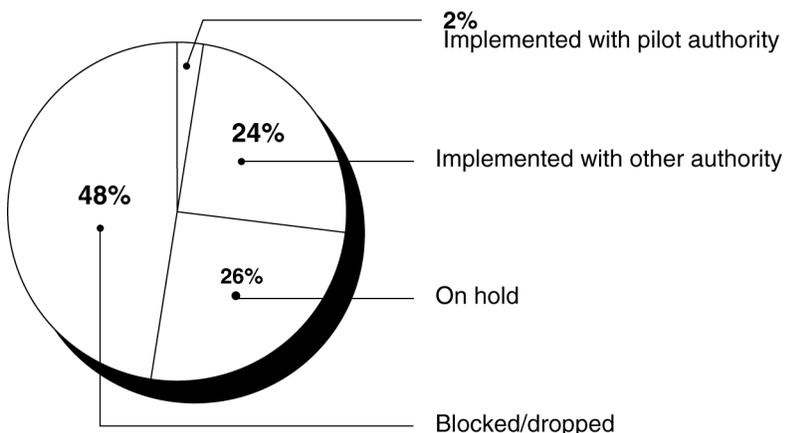
What GAO Found

The 1999 and 2000 pilot programs have not worked as intended. Since their inception, 178 initiatives have been proposed by the participating laboratories and test centers but only 4—or 2 percent—were implemented under the pilot programs, as shown below. Participants proposed initiatives covering a variety of areas, including business-like practices, partnerships, and human capital innovations.

The pilot programs were not effective because DOD lacked an effective implementation process and proposed human capital initiatives were not consistent with statutory provisions. First, DOD did not provide standardized guidance on proposal requirements, coordinate proposals, or clarify decision-making authority for proposal review and approval. Furthermore, DOD did not designate a strong focal point to provide assistance and advice to participants and advocate process improvements. The lack of a strong focal point exacerbated other process gaps. Second, DOD attorneys advised that the pilot programs did not provide authority to make most of the proposed human capital changes.

Implementation of the new 2003 pilot program faces several challenges. First, DOD has not addressed implementation problems. For example, clear guidance is still lacking and decision-making authority is still unclear. Second, the 2003 pilot program provides no change in authority concerning human capital initiatives. Finally, laboratories and test centers may be reluctant to participate. Many participants in the earlier pilots told us they were discouraged by their experience and consequently unwilling to repeat it.

Status of Proposed Initiatives



Source: GAO.